

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 847 - HB 1163**

March 25, 2011

**SUMMARY OF BILL:** Requires all health insurance entities to submit the number of approvals and denials of requests by physicians for preauthorization for admissions to health care facilities and imaging tests categorized by age, gender, ethnic group and the cost savings associated with the denials. Submissions will be made annually beginning with calendar year 2012 and will be made to the Commissioners of Commerce and Insurance and Health and the Speakers of the Senate and House of Representatives.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111):** Such legislation would not result in a significant increase in the cost of health insurance premiums. Any cost incurred to compile the required information and submit the report will not be significant.

**Assumptions:**

- According to the Departments of Commerce and Insurance and Health, any costs associated with receiving and reviewing the reports will not be significant.
- The Department of Commerce and Insurance will not incur a significant increase in expenditures to ensure that health insurance companies are submitting the required information.
- According to the Bureau of TennCare, managed care organizations will be able to provide the required information without incurring a significant cost.
- According to the Department of Finance and Administration, the additional reporting requirements will not have an impact on the administrative fees paid to the state sponsored public sector plans and Cover Tennessee plan contractors.
- Private health insurance impact: Private health insurance entities will have the necessary information to compile the annual report. There will not be a significant fiscal impact to the entities to submit the proposed report. Any cost incurred will not be significant enough to shift to enrollees through an increase in premiums.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml